

# STATE PERSONNEL BOARD CALENDAR



**MARCH 2, 2007**

**SACRAMENTO**

# State of California

## Memorandum

**DATE:** February 20, 2007

**TO:** ALL INTERESTED PARTIES

**FROM:** STATE PERSONNEL BOARD – Executive Office

**SUBJECT:** Notice and Agenda for the **March 2, 2007**, meeting of the State Personnel Board.

PLEASE TAKE NOTICE that on March 2, 2007, at offices of the State Personnel Board, located at 801 Capitol Mall, Room 150, Sacramento, California, the State Personnel Board will hold its regularly scheduled meeting. Pursuant to Government Code section 11123, a teleconference location may be conducted for this meeting at 320 W. 4<sup>th</sup> Street, Los Angeles, California.

The attached Agenda provides a brief description of each item to be considered and lists the date and approximate time for discussion of the item.

Also noted is whether the item will be considered in closed or public session. Closed sessions are closed to members of the public. All discussions held in public sessions are open to those interested in attending. Interested members of the public who wish to address the Board on a public session item may request the opportunity to do so.

Should you wish to obtain a copy of any of the items considered in the public sessions for the March 2, 2007, meeting, please contact staff in the Secretariat's Office, State Personnel Board, 801 Capitol Mall, MS 52, Sacramento, California 95814 or by calling (916) 653-0429 or TDD (916) 654-2360, or the Internet at:

**<http://www.spb.ca.gov/calendar.htm>**

Should you have any questions regarding this Notice and Agenda, please contact staff in the Secretariat's Office at the address or telephone numbers above.



Karen Yu  
Secretariat's Office

Attachment



## **CALIFORNIA STATE PERSONNEL BOARD MEETING<sup>1</sup>**

801 Capitol Mall  
Sacramento, California

Public Session Location – 801 Capitol Mall  
Sacramento, California, Room 150  
Teleconference – 320 West 4<sup>th</sup> Street<sup>2</sup>  
Los Angeles, California, Suite 620

Closed Session Location – 801 Capitol Mall  
Sacramento, California, Room 141  
Teleconference – 320 West 4<sup>th</sup> Street  
Los Angeles, California Suite 620

### **FULL BOARD MEETING – MARCH 2, 2007**

<sup>1</sup> Sign Language Interpreter will be provided for Board Meeting upon request - contact Secretariat at (916) 653-0429, or CALNET 453-0429, TDD (916) 654-2360.

<sup>2</sup>Pursuant to Government Code section 11123, a teleconference location may be conducted for this meeting at 320 West 4<sup>th</sup> Street, Los Angeles, California.

**FULL BOARD MEETING AGENDA<sup>3</sup>**

**MARCH 2, 2007**  
9:00 a.m. – 2:00 p.m.  
(or upon completion of business)

PLEASE NOTE: ALL TIMES ARE APPROXIMATE AND ARE SUBJECT TO CHANGE

**PUBLIC SESSION OF THE STATE PERSONNEL BOARD**

**(9:00 a.m. – 9:45 a.m.)**

- 1. ROLL CALL**
- 2. REPORT OF THE EXECUTIVE OFFICER – Floyd D. Shimomura**
- 3. REPORT OF THE DEPARTMENT OF PERSONNEL ADMINISTRATION (DPA)  
– DPA Representatives**
- 4. REPORT ON THE PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)  
– Maeley Tom**
- 5. REPORT OF THE CHIEF COUNSEL – Elise Rose**
- 6. NEW BUSINESS**

Items may be raised by Board Members for scheduling and discussion for future meetings.

- 7. REPORT ON LEGISLATION – Sherry Evans**

The Board may be asked to adopt a position with respect to the bills listed on the legislation memorandum attached hereto.

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<sup>3</sup> The Agenda for the Board Meetings can be obtained at the following internet address:  
<http://www.spb.ca.gov/calendar.htm>

**(9:45 a.m. – 10:15 a.m.)**

**8. ORAL ARGUMENT**

In the matter of **CASE NO. 05-2211A**. Appeal from dismissal. Senior Tax Compliance Representative. Employment Development Department.

**(10:15 a.m. – 10:45 a.m.)**

**9. ORAL ARGUMENT**

In the matter of **CASE NO. 06-0392A**. Appeal from five percent reduction in salary for 24 months. Correctional Officer. Department of Corrections and Rehabilitation.

**(10:45 a.m. – 11:00 a.m.)**

**BREAK**

**PUBLIC SESSION OF THE STATE PERSONNEL BOARD**

**(11:00 a.m. – 11:30 a.m.)**

**10. ORAL ARGUMENT**

In the matter of **PERSONAL SERVICES CONTRACT #06-05**. Appeal of the California Highway Patrol from the Executive Officer's September 28, 2006 Disapproval of a Contract for Custodial Services between the California Highway Patrol and Moran Janitorial Services.

**(11:30 a.m. – 12:00 p.m.)**

**11. HUMAN RESOURCES MODERNIZATION PROJECT**

The State Personnel Board staff will present the concepts discussed in the draft State Human Resources Modernization Plan created by the SPB/DPA task force. This will include initiatives to address the challenges currently facing the state in: workforce planning, recruitment, selection, compensation, retention, employee assessment and development.

- **Mary Fernandez, Chief, Administrative Services Division**
- **Carol Ong, Assistant Chief, Appeals Division**
- **Donna Terrazas, Personnel Selection Consultant II, Merit Employment & Technical Resources Division**

**(12:00 p.m. – 1:00 p.m.)**

**LUNCH**

**CLOSED SESSION OF THE STATE PERSONNEL BOARD**

**(1:00 p.m. – 1:30 p.m.)**

**12. EMPLOYEE APPOINTMENTS, DISCIPLINARY MATTERS, AND OTHER APPEALS**

Deliberations to consider matter submitted at prior hearing.  
[Government Code Sections 11126(d), 18653.]

**13. DELIBERATION ON ADVERSE ACTIONS, DISCRIMINATION COMPLAINTS, AND OTHER PROPOSED DECISIONS SUBMITTED BY ADMINISTRATIVE LAW JUDGES**

Deliberations on matters submitted at prior hearing; on proposed, rejected, remanded, and submitted decisions; petitions for rehearing; and other matters related to cases heard by administrative law judges of the State Personnel Board or by the Board itself. [Government Code Sections 11126 (d), and 18653 (2).]

**14. PENDING LITIGATION**

Conference with legal counsel to confer with and receive advice regarding pending litigation when discussion in open session would be prejudicial.  
[Government Code sections 11126(e)(1) and 18653.]

Patrick McCollum v. State of California

United States District Court, Northern District of California

Case No. C 04-03339 CRB

Plata, et al. v. Schwarzenegger, et al.

Case No. C01-1351 TEH

**15. RECOMMENDATIONS TO THE LEGISLATURE**

Deliberations on recommendations to the legislature.

[Government Code section 18653.]

**16. RECOMMENDATIONS TO THE GOVERNOR**

Deliberations on recommendations to the Governor.

[Government Code section 18653.]

**PUBLIC SESSION OF THE STATE PERSONNEL BOARD**

**(1:30 p.m. – Onwards)**

**17. DISCUSSION OF UPCOMING BOARD MEETING SCHEDULE OF  
MARCH 21, 2007, IN SACRAMENTO, CALIFORNIA**

**BOARD ACTIONS:**

**18. ADOPTION OF THE STATE PERSONNEL BOARD SUMMARY MINUTES OF  
FEBRUARY 5-6, 2007**

**19. EVIDENTIARY CASES - (See Case Listings on Pages 11–17)**

**20. RESOLUTION EXTENDING TIME UNDER GOVERNMENT CODE  
SECTION 18671.1 EXTENSION - (See Agenda on Pages 23–24)**

**21. NON-EVIDENTIARY CASES - (See Case Listings on Pages 18–19)**

**22. NON-HEARING CALENDAR**

The following proposals are made to the State Personnel Board by either the Board staff or Department of Personnel Administration staff. It is anticipated that the Board will act on these proposals without a hearing.

Anyone with concerns or opposition to any of these proposals should submit a written notice to the Executive Officer clearly stating the nature of the concern or opposition. Such notice should explain how the issue in dispute is a merit employment matter within the Board's scope of authority as set forth in the State Civil Service Act (Government Code section 18500 et seq.) and Article VII, California Constitution. Matters within the Board's scope of authority include, but are not limited to, personnel selection, employee status, discrimination and affirmative action. Matters outside the Board's scope of authority include, but are not limited to, compensation, employee benefits, position allocation, and organization structure. Such notice must be received not later than close of business on the Wednesday before the Board meeting at which the proposal is scheduled. Such notice from an exclusive bargaining representative will not be entertained after this deadline, provided the representative has received advance notice of the classification proposal pursuant to the applicable memorandum of understanding. In investigating matters outlined above, the Executive Officer shall act as the Board's authorized representative and recommend the Board either act on the proposals as submitted without a hearing or schedule the items for a hearing, including a staff recommendation on resolution of the merit issues in dispute.

**A. BOARD ITEMS PRESENTED BY STATE PERSONNEL BOARD OR DEPARTMENT OF PERSONNEL ADMINISTRATION TO ESTABLISH, REVISE OR ABOLISH CLASSIFICATIONS, ALTERNATE RANGE CRITERIA, ETC.**

**CHIEF OPERATING INVESTMENT OFFICER, PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

The California Public Employees' Retirement System (CalPERS) requests establishment of a new classification titled Chief Operating Investment Officer, CAIPERS to be used in the Investment Office, with a six month probationary period.

**LICENSED VOCATIONAL NURSE (SAFETY), CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR)**

Establishment of the proposed new classification of Licensed Vocational Nurse, (Safety), California Department of Corrections and Rehabilitation (CDCR); establishment of a 12-month probationary period for the Licensed Vocational Nurse (Safety), CDCR; and reallocation of incumbents employed at CDCR currently in the existing classification titled Licensed Vocational Nurse (Safety), class code 8274, to the proposed new classification titled Licensed Vocational Nurse, (Safety), CDCR.



**B. ABOLISHMENT OF CLASSES THAT HAVE HAD NO INCUMBENTS FOR MORE THAN TWO YEARS. DEPARTMENTS THAT UTILIZE THE CLASS AS WELL AS THE APPROPRIATE UNION HAVE NO OBJECTION TO THE ABOLISHMENT OF THESE CLASSES.**

**THE DEPARTMENT OF PERSONNEL ADMINISTRATION AND STATE PERSONNEL BOARD** propose to abolish the following unused classifications, which have been vacant for more than twenty-four months. Departments that utilize the class as well as the appropriate union have no objection to the abolishment of these classes. When classes are proposed to be abolished which are part of a class series, and other classes within the series will continue to be used, the class specification is included in the board item.

**NONE**

**23. STAFF CALENDAR ITEMS FOR BOARD INFORMATION**

**NONE**

**24. CAREER EXECUTIVE ASSIGNMENT (CEA) CATEGORY ACTIVITY**

This section of the Agenda serves to inform interested individuals and departments of proposed and approved CEA position actions.

The first section lists position actions that have been proposed and are currently under consideration.

Any parties having concerns with the merits of a proposed CEA position action should submit their concerns in writing to the Classification and Compensation Division of the Department of Personnel Administration, the Merit Employment and Technical Resources Division of the State Personnel Board, and the department proposing the action.

To assure adequate time to consider objections to a CEA position action, issues should be presented immediately upon receipt of the State Personnel Board Agenda in which the proposed position action is noticed as being under consideration, and generally no later than a week to ten days after its publication.

In cases where a merit issue has been raised regarding a proposed CEA position action and the dispute cannot be resolved, a hearing before the five-member Board may be scheduled. If no merit issues are raised regarding a proposed CEA position action, and the State Personnel Board approves it, the action becomes effective without further action by the Board.

The second section of this portion of the Agenda reports those position actions that have been approved. They are effective as of the date they were approved by the Executive Officer of the State Personnel Board.

**A. REQUESTS TO ESTABLISH NEW OR REVISE EXISTING CEA POSITIONS CURRENTLY UNDER CONSIDERATION**

**DEPUTY DIRECTOR, REAL ESTATE SERVICES DIVISION**

The Department of General Services proposes to allocate the above position to the CEA category. The Deputy Director will be responsible for developing and implementing statewide policy and procedures to provide real estate services to its customer departments and agencies and for influencing and setting policy based on the Administration's goals and objectives and dictates of Government Code.

**MANAGER, REGIONAL RECRUITMENT AND RETENTION WORKFORCE NORTHERN REGION**

The California Department of Corrections and Rehabilitation proposes to allocate the above position to the CEA Category. Under the Plata Receivership, the Manager will be formulating policies at the Federal Receiver's direction and making recommendations to change policies that impact recruitment and retention, and selection and hiring at institutions in the Northern Region.

**MANAGER, REGIONAL RECRUITMENT AND RETENTION WORKFORCE SOUTHERN REGION**

The California Department of Corrections and Rehabilitation proposes to allocate the above position to the CEA Category. Under the Plata Receivership, the Manager will be formulating policies at the Federal Receiver's direction and making recommendations to change policies that impact recruitment and retention, and selection and hiring at institutions in the Southern Region.

**PROJECT MANAGER, PENSION SYSTEMS RESUMPTION PROJECT**

The California Public Employees' Retirement System (CalPERS) requests approval to allocate the above position to the CEA category for the duration of the project which is anticipated to be completed by June of 2009. The Project Manager over CalPERS COMET – Pension Systems Resumption (PSR) was approved by SPB to the CEA category for a limited term of two years effective February 14, 2005. The Project Manager has a major role in the formulation of departmental policies involving retirement, health, and technology operational practices, programs and services.

**B. EXECUTIVE OFFICER DECISIONS REGARDING REQUESTS TO ESTABLISH NEW OR REVISE EXISTING CEA POSITIONS**

**CHIEF, ADMINISTRATIVE LAW JUDGE**

The State Personnel Board's request to allocate the above position to the CEA Category has been approved effective February 6, 2007.

**CHIEF, OFFICE OF CIVIL RIGHTS AND RETURN TO WORK**

The Department of Industrial Relation's request to allocate the above position to the CEA category has been approved effective February 16, 2007.

**DEPUTY DIRECTOR, SAFETY AND RELIABILITY**

The Public Utilities Commission's request to allocate the above position to the CEA category has been disapproved effective February 16, 2007.

**CHIEF, INTERNAL AUDITS**

The California State Lottery's request to allocate the above position to the CEA category has been disapproved effective February 16, 2007.

**CHIEF, FIELD TECHNICIAN SERVICES DIVISION**

The Department of Parks and Recreation's request to allocate the above position to the CEA category has been approved effective February 16, 2007.

**CHIEF, PROVIDER ENROLLMENT DIVISION**

The Department of Health Service's request to allocate the above position to the CEA category has been approved effective February 16, 2007.

**ASSOCIATE DIRECTOR, ACCOUNTING SERVICES DIVISION OF SUPPORT SERVICES**

The California Department of Corrections and Rehabilitation's request to allocate the above position to the CEA category has been approved effective February 16, 2007.

**DEPUTY DIRECTOR, EXTERNAL AFFAIRS**

The Board of Equalization's request to allocate the above position to the CEA category has been approved effective February 16, 2007.

**25. EMPLOYEE APPOINTMENTS, DISCIPLINARY MATTERS, & OTHER APPEALS**

Deliberations to consider matter submitted at prior hearing. [Government Code sections 11126(d), 18653.]

- 26. WRITTEN STAFF REPORT FOR BOARD INFORMATION**
- 27. PRESENTATION OF EMERGENCY ITEMS AS NECESSARY**
- 28. RESOLUTION REGARDING REQUEST OF CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR) RECIEVER TO USE 3-RANK LISTS FOR CDCR HEALTHCARE POSITIONS**
- 29. BOARD ACTIONS ON SUBMITTED ITEMS – (See Agenda on Pages 20–22)**

These items have been taken under submission by the State Personnel Board at a prior meeting and may be before the Board for a vote at this meeting. This list does not include evidentiary cases, as those are listed separately by category on this agenda under Evidentiary Cases.

## **A D J O U R N M E N T**

## 19. EVIDENTIARY CASES

The Board Administrative Law Judges conduct evidentiary hearings in appeals that include, but are not limited to, adverse actions, medical terminations, demotions, discrimination, reasonable accommodations, and whistleblower complaints.

### A. BOARD CASES SUBMITTED

These items have been taken under submission by the State Personnel Board at a prior meeting. Cases that are before the Board for vote will be provided under separate cover.

(1) **CASE NO. 06-1912**

Appeal from dismissal

**Classification:** Senior Youth Correctional Counselor

**Department:** Department of Corrections and Rehabilitation

Proposed decision taken under submission February 20, 2007.

(2) **CASE NO. 05-0053A**

Appeal from dismissal

**Classification:** Park Maintenance Assistant

**Department:** Department of Parks and Recreation

Proposed decision rejected October 10, 2006.

Transcript prepared.

Pending oral argument February 6-7, 2007, Los Angeles.

Oral argument heard February 6, 2007.

Case ready for decision by FULL Board.

(3) **CASE NO. 06-1433**

Appeal from official reprimand

**Classification:** Correctional Officer

**Department:** Department of Corrections and Rehabilitation

Proposed decision taken under submission December 5, 2006.

(4) **CASE NO. 05-1567A**

Appeal from dismissal

**Classification:** Housing Finance Specialist (General)

**Department:** California Housing Finance Agency

Proposed decision rejected July 11, 2006.

Transcript prepared.

Pending oral argument October 31-November 1, 2006, San Diego.

Oral argument continued.

Pending oral argument December 5, 2006, San Francisco.

Oral argument heard December 5, 2006.

Case ready for decision by FULL Board.

March 2, 2007

**(5) CASE NO. 06-1310**

Appeal from 14 working days suspension

**Classification:** Regional Administrator

**Department:** Department of Corrections and Rehabilitation

Proposed decision taken under submission December 5, 2006.

**(6) PSC NO. 06-02**

Appeal from Executive Officer's June 28, 2006 approval of the Department of Corrections and Rehabilitation Personal Services Contracts for Psychological Services.

**Department:** Department of Corrections and Rehabilitation

**Employee Organization:** AFSCME, Local 2620, AFL-CIO

Oral argument heard January 9, 2007.

Case ready for decision by FULL Board.

**(7) PSC NO. 06-04**

Appeal from Executive Officer's August 15, 2006 disapproval of a Personal Services Contract for Hearing Reporter Transcription Services.

**Department:** California Air Resources Board

Oral argument heard January 9, 2007.

Case ready for decision by FULL Board.

**B. CASES PENDING**

**ORAL ARGUMENTS**

These cases are on calendar to be argued at this meeting or to be considered by the Board in closed session based on written arguments submitted by the parties.

**(1) CASE NO. 05-2211A**

Appeal from dismissal

**Classification:** Senior Tax Compliance Representative

**Department:** Employment Development Department

**(2) CASE NO. 06-0392A**

Appeal from five percent reduction in salary for 24 months

**Classification:** Correctional Officer

**Department:** Department of Corrections and Rehabilitation

**C. CHIEF COUNSEL RESOLUTIONS**

**(1) CASE NO. 05-3741**

Appeal from dismissal

**Classification:** Medical Technical Assistant, CF

**Department:** Department of Corrections and Rehabilitation  
Request for Order to Show Cause against Department of  
Corrections and Rehabilitation

**COURT REMANDS**

This case has been remanded to the Board by the court for further Board action.

**NONE**

**STIPULATIONS**

These stipulations have been submitted to the Board for Board approval, pursuant to Government Code, section 18681.

**NONE**

**D. ADMINISTRATIVE LAW JUDGE'S (ALJ) PROPOSED DECISIONS**

**PROPOSED DECISIONS**

These are ALJ proposed decisions submitted to the Board for the first time.

**(1) CASE NO. 06-2268**

Appeal from limited-term separation

**Classification:** Staff Information Systems Analyst

**Department:** State Controller's Officer

**(2) CASE NO. 06-3472**

Appeal from ten percent reduction in salary for three months

**Classification:** Correctional Officer

**Department:** Department of Corrections and Rehabilitation

**(3) CASE NO. 05-3477**

Appeal from dismissal

**Classification:** Correctional Officer

**Department:** Department of Corrections and Rehabilitation

**(4) CASE NO. 06-3419**

Appeal from demotion

**Classification:** Associate Governmental Program Analyst

**Department:** Department of Social Services

March 2, 2007

- (5) **CASE NO. 06-3023**  
Appeal from ten percent reduction in salary for three months  
**Classification:** Psychiatric Technician  
**Department:** Department of Corrections and Rehabilitation
- (6) **CASE NO. 06-2697**  
Appeal from rejection during probation  
**Classification:** Correctional Officer  
**Department:** Department of Corrections and Rehabilitation
- (7) **CASE NO. 06-2622**  
Appeal from non-punitive termination  
**Classification:** Clinical Social Worker  
**Department:** Department of Corrections and Rehabilitation
- (8) **CASE NO. 07-0008**  
Appeal from dismissal  
**Classification:** Correctional Officer  
**Department:** Department of Corrections and Rehabilitation
- (9) **CASE NO. 05-0819E**  
Appeal from discrimination complaint  
**Classification:** Health Evaluator III  
**Department:** Department of Health Services
- (10) **CASE NO. 06-2055**  
Appeal from dismissal  
**Classification:** Parole Agent II  
**Department:** Department of Corrections and Rehabilitation

**PROPOSED DECISIONS TAKEN UNDER SUBMISSION AT PRIOR MEETING**

These are ALJ proposed decisions taken under submission at a prior Board meeting, for lack of majority vote or other reason.

**NONE**

**PROPOSED DECISIONS AFTER BOARD REMAND**

- (11) **CASE NO. 06-1743R**  
Appeal from dismissal  
**Classification:** Clinical Social Worker (Health/Correctional Facility)-Safety  
**Department:** Department of Corrections and Rehabilitation

**PROPOSED DECISIONS AFTER SPB ARBITRATION**

**NONE**



March 2, 2007

**E. PETITIONS FOR REHEARING**

**ALJ PROPOSED DECISIONS ADOPTED BY THE BOARD**

The Board will vote to grant or deny a petition for rehearing filed by one or both parties, regarding a case already decided by the Board.

- (1) **CASE NO. 05-0012EP**  
Appeal from reasonable accommodation/discrimination complaint  
**Classification:** Office Assistant (General)  
**Department:** Department of Corrections and Rehabilitation.
- (2) **CASE NO. 05-1080P**  
Appeal from dismissal  
**Classification:** Correctional Officer  
**Department:** Department of Corrections and Rehabilitation
- (3) **CASE NO. 05-1010P**  
**CASE NO. 05-1081P**  
**CASE NO. 05-1258P**  
Appeals from dismissal  
**Classification:** Correctional Captain, Correctional Sergeant,  
Correctional Officer  
**Department:** Department of Corrections and Rehabilitation

**WHISTLEBLOWER NOTICE OF FINDINGS**

The Board will vote to grant or deny a petition for rehearing filed by one or both parties, regarding a Notice of Findings issued by the Executive Officer under Government Code, section 19682 et seq. and Title 2, California Code of Regulations, section 56 et seq.

**NONE**

**F. PENDING BOARD REVIEW**

These cases are pending preparation of transcripts, briefs, or the setting of oral argument before the Board.

- (1) **CASE NO. 05-1007EA**  
Appeal from denial of discrimination complaint  
**Classification:** Outside contractor  
**Department:** Department of Transportation

Proposed decision rejected December 19, 2006.

Pending oral argument April 3-4, 2007, Sacramento.

March 2, 2007

- (2) **CASE NO. 06-0760A**  
Appeal from rejection during probation  
**Classification:** Parole Agent I (Adult Parole)  
**Department:** Department of Corrections and Rehabilitation
- Proposed decision rejected November 14, 2006.  
Transcript prepared.  
Pending oral argument February 6-7, 2007, Los Angeles.  
Oral argument continued.  
Pending oral argument May 1-2, 2007, Los Angeles.
- (3) **CASE NO. 06-0235A**  
Appeal from dismissal  
**Classification:** Correctional Officer  
**Department:** Department of Corrections and Rehabilitation
- Proposed decision rejected January 9, 2007.  
Pending transcript.
- (4) **CASE NO. 05-2211A**  
Appeal from dismissal  
**Classification:** Senior Tax Compliance Representative  
**Department:** Employment Development Department
- Proposed decision rejected September 20, 2006.  
Transcript prepared.  
Pending oral argument February 6-7, 2007, Los Angeles.  
Oral argument continued  
Pending oral argument March 2, 2007, Sacramento.
- (5) **CASE NO. 05-2888PA**  
Appeal from dismissal  
**Classification:** Staff Services Analyst (General)  
**Department:** Department of Consumer Affairs
- Petition for rehearing granted October 31, 2006.  
Transcript prepared.  
Pending oral argument March 2, 2007, Sacramento.  
Oral argument continued.
- (6) **CASE NO. 05-1285A**  
Appeal from dismissal  
**Classification:** Public Safety Dispatcher II  
**Department:** Department of California Highway Patrol
- Proposed decision rejected January 9, 2007.  
Pending transcript.

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- (7) **CASE NO. 05-1067A**  
Appeal from dismissal  
**Classification:** Investigator  
**Department:** Department of Motor Vehicles  
  
Proposed decision rejected January 9, 2007.  
Pending transcript.
- (8) **CASE NO. 04-2919ERPA**  
Appeal of discrimination and retaliation  
**Classification:** Physician and Surgeon  
**Department:** Department of Corrections and Rehabilitation  
  
Petition for rehearing granted September 20, 2006.  
Transcript prepared.  
Pending oral argument February 6-7, 2007, Los Angeles.  
Oral argument continued.  
Pending oral argument May 1-2, 2007, Los Angeles.
- (9) **CASE NO. 05-0927BA**  
Appeal for back salary determination  
**Classification:** Correctional Sergeant  
**Department:** Department of Corrections and Rehabilitation  
  
Proposed decision rejected December 5, 2006.  
Transcript prepared.  
Pending oral argument April 3-4, 2007, Sacramento.
- (10) **CASE NO. 05-4416PA**  
Appeal from 10 percent reduction in salary for 13 pay periods  
**Classification:** Medical Technical Assistant (Correctional Facility)  
**Department:** Department of Corrections and Rehabilitation  
  
Petition for rehearing granted November 14, 2006.  
Transcript prepared.  
Pending oral argument April 3-4, 2007, Sacramento.
- (11) **CASE NO. 06-0392A**  
Appeal of five percent reduction in salary for 24 months  
**Classification:** Correctional Officer  
**Department:** Department of Corrections and Rehabilitation  
  
Proposed decision rejected October 31, 2006.  
Transcript prepared.  
Pending oral argument March 2, 2007, Sacramento.

**21. NON-EVIDENTIARY CASES**

**A. WITHHOLD APPEALS**

Cases heard by a Staff Hearing Officer, a managerial staff member of the State Personnel Board or investigated by Appeals Division staff. The Board will be presented recommendations by a Staff Hearing Officer or Appeals Division staff for final decision on each appeal.

**WITHHOLD FROM CERTIFICATION**  
**CASES HEARD BY A STAFF HEARING OFFICER**

**NONE**

**WITHHOLD FROM CERTIFICATION**  
**CASES NOT HEARD BY A STAFF HEARING OFFICER**

- (1) CASE NO. 05-3642**  
**Classification:** CHP Cadet  
**Department:** California Highway Patrol  
**Issue:** Suitability; omitted information and a negative employment record.
- (2) CASE NO. 05-4388**  
**Classification:** Medical Technical Assistant  
**Department:** Department of Corrections and Rehabilitation  
**Issue:** Suitability; failure to provide information in a timely fashion.
- (3) CASE NO. 05-3680**  
**Classification:** Public Safety Dispatcher II  
**Department:** California Highway Patrol  
**Issue:** Suitability; furnishing inaccurate information and negative law contacts.
- (4) CASE NO. 05-4234**  
**Classification:** Medical Technical Assistant  
**Department:** California Department of Corrections and Rehabilitation  
**Issue:** Suitability; a felony conviction.
- (5) CASE NO. 05-3761**  
**Classification:** Hospital Police Officer  
**Department:** California Department of Mental Health  
**Issue:** Suitability; a negative employment record.

**B. MEDICAL AND PSYCHOLOGICAL SCREENING APPEALS**

Cases heard by a Staff Hearing Panel comprised of a managerial staff member of the State Personnel Board and a medical professional. The Board will be presented recommendations by a Hearing Panel on each appeal.

**NONE**

**C. EXAMINATION APPEALS  
MINIMUM QUALIFICATIONS  
MERIT ISSUE COMPLAINTS**

Cases heard by a Staff Hearing Officer, a managerial staff member of the State Personnel Board or investigated by Appeals Division staff. The Board will be presented recommendations by a Staff Hearing Officer or Appeals Division staff for final decision on each appeal.

**NONE**

**D. RULE 211 APPEALS  
RULE 212 OUT OF CLASS APPEALS  
VOIDED APPOINTMENT APPEALS**

Cases heard by a Staff Hearing Officer, or a managerial staff member of the State Personnel Board. The Board will be presented recommendations by a Staff Hearing Officer for final decision on each appeal.

**NONE**

**E. REQUEST TO FILE CHARGES CASES**

Investigated by Appeals Division staff. The Board will be presented recommendations by Appeals Division staff for final decision on each request.

**NONE**

**PETITIONS FOR REHEARING CASES**

**NONE**

**SUBMITTED**

**1. TEACHER STATE HOSPITAL (SEVERELY), ETC.**

Departments of Mental Health and Developmental Services. (Hearing held December 3, 2002.)

**2. VOCATIONAL INSTRUCTOR (SAFETY) (VARIOUS SPECIALTIES)**

Departments of Mental Health and Developmental Services. (Hearing held December 3, 2002.)

**3. TELEVISION SPECIALIST (SAFETY)**

The Department of Corrections proposes to establish the new classification Television Specialist (Safety) by using the existing Television Specialist class specification and adding "Safety" as a parenthetical to recognize the public aspect of their job, additional language will be added to the Typical Tasks section of the class specification and a Special Physical Characteristics section will be added. (Presented to Board March 4, 2003.)

**4. HEARING – Personal Services Contract #04-03**

Appeal of the California State Employees Association from the Executive Officer's April 15, 2004, Approval of Master Contracts between the California Department of Corrections and Staffing Solutions, CliniStaff, Inc., Staff USA, Inc., CareerStaff Unlimited, MSI International, Inc., Access Medical Staffing & Service, Drug Consultants, Infinity Quality Services Corporation, Licensed Medical Staffing, Inc., Morgan Management Services, Inc., Asereth Medical Services, and PrideStaff dba Rx Relief. (Hearing held August 12, 2004.)

**5. HEARING**

Proposed new and revised State Personnel Board Regulations effecting equal opportunity, discrimination complaints and reasonable accommodation policies and procedures. (Hearing held July 7, 2004.)

**6. CASE NO. 05-0947A**

Appeal from dismissal. Housing Finance Specialist (General). California Housing Finance Agency. (Oral argument held December 5, 2006.)

**7. CASE NO. 06-1814**

Appeal from official letter of reprimand. Correctional Officer. Department of Corrections and Rehabilitation. (Presented to Board December 5, 2006.)

**8. CASE NO. 06-1310**

Appeal from 14 working days' suspension. Regional Administrator. Department of Corrections and Rehabilitation. (Presented to Board December 5, 2006.)

**9. CASE NO. 05-1975**

Correctional Officer. Department of Corrections & Rehabilitation. Suitability; whether appellant's name was properly withheld for DUI convictions. (Presented to Board December 5, 2006.)

**10. CASE NO. 05-1466**

Correctional Officer. Department of Corrections & Rehabilitation. Suitability; whether appellant's name was properly withheld for DUI convictions. (Presented to Board December 5, 2006.)

**11. CASE NO. 05-1977**

Correctional Officer. Department of Corrections & Rehabilitation. Suitability; whether appellant's name was properly withheld for DUI convictions. (Presented to Board December 5, 2006.)

**12. CASE NO. 05-1029**

Correctional Officer. Department of Corrections & Rehabilitation. Suitability; whether appellant's name was properly withheld for DUI convictions. (Presented to Board December 5, 2006.)

**13. CASE NO. 05-2290**

Correctional Officer. Department of Corrections & Rehabilitation. Suitability; whether appellant's name was properly withheld for DUI convictions. (Presented to Board December 5, 2006.)

**14. CASE NO. 05-1169**

Correctional Officer. Department of Corrections and Rehabilitation. Suitability; whether appellant's name was properly withheld for one DUI conviction. (Presented to Board December 5, 2006.)

**15. CASE NO. 05-1681**

Correctional Officer. Department of Corrections & Rehabilitation. Suitability; whether appellant's name was properly withheld for DUI convictions. (Presented to Board December 5, 2006.)

**16. CASE NO. 05-1170**

Correctional Officer. Department of Corrections & Rehabilitation. Suitability; whether appellant's name was properly withheld for DUI convictions. (Presented to Board December 5, 2006.)

**17. PSC NO. 06-02**

Appeal of AFSCME, Local 2620, AFL-CIO, from the Executive Officer's June 28, 2006, Approval of the Department of Corrections and Rehabilitation Personal Services Contracts for Psychological Services. (Oral argument held January 9, 2007.)

**18. PSC NO. 06-04**

Appeal of California Air Resources Board, from the Executive Officer's August 15, 2006, Disapproval of a Personal Services Contract for Hearing Reporter Transcription Services. (Oral argument held January 9, 2007.)

**19. CASE NO. 05-0053A**

Appeal from dismissal. Park Maintenance Assistant. Department of Parks and Recreation. (Oral argument held February 6, 2007.)

**20. CASE NO. 06-1912**

Appeal from dismissal. Senior Youth Correctional Counselor. Department of Corrections and Rehabilitation. (Presented to the Board February 20, 2007.)



**NOTICE OF GOVERNMENT CODE SECTION 18671.1 RESOLUTION**

Since Government Code section 18671.1 requires that cases pending before State Personnel Board Administrative Law Judges (ALJ's) be completed within six months or no later than 90 days after submission of a case, whichever is first, absent the publication of substantial reasons for needing an additional 45 days, the Board hereby publishes its substantial reasons for the need for the 45-day extension for some of the cases now pending before it for decision.

An additional 45 days may be required in cases that require multiple days of hearings, that have been delayed by unusual circumstances, or that involve any delay generated by either party (including, but not limited to, submission of written briefs, requests for settlement conferences, continuances, discovery disputes, pre-hearing motions). In such cases, six months may be inadequate for the ALJ to hear the entire case, prepare a proposed decision containing the detailed factual and legal analysis required by law, and for the State Personnel Board to review the decision and adopt, modify or reject the proposed decision within the time limitations of the statute.

Therefore, at its next meeting, the Board will issue the attached resolution extending the time limitation by 45 days for all cases that meet the above criteria, and that have been before the Board for less than six months as of the date of the Board meeting.

**GOVERNMENT CODE SECTION 18671.1 RESOLUTION**

**WHEREAS**, Section 18671.1 provides that, absent waiver by the appellant, the time period in which the Board must render its decision on a petition pending before it shall not exceed six months from the date the petition was filed or 90 days from the date of submission; and

**WHEREAS**, Section 18671.1 also provides for an extension of the time limitations by 45 additional days if the Board publishes substantial reasons for the need for the extension in its calendar prior to the conclusion of the six-month period; and

**WHEREAS**, the Agenda for the instant Board meeting included an item titled "Notice of Government Code section 18671.1 Resolution" which sets forth substantial reasons for utilizing that 45-day extension to extend the time to decide particular cases pending before the Board;

**WHEREAS**, there are currently pending before the Board cases that have required multiple days of hearing and/or that have been delayed by unusual circumstances or by acts or omissions of the parties themselves;

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** that the time limitations set forth in Government Code section 18671.1 are hereby extended an additional 45 days for all cases that have required multiple days of hearing or that have been delayed by acts or omissions of the parties or by unusual circumstances and that have been pending before the Board for less than six months as of the date this resolution is adopted.

\* \* \* \* \*



1

(Cal. 03/02/07)

TO: Members  
State Personnel Board

FROM: State Personnel Board - Legislative Office

SUBJECT: LEGISLATION

The status of major legislation being followed for impact on Board programs and the general administration of the State Civil Service Merit System is detailed in the attached report.

Any legislative action that takes place after the printing of this report, which requires discussion with the Board, will be covered during the Board meeting.

Please contact me directly should you have any questions or comments regarding any bills that you may have an interest in. I can be reached at (916) 653-0453.

A handwritten signature in cursive script that reads 'Sherry A. Evans'.

Sherry Evans  
Director of Legislation

Attachment

**STATE PERSONNEL BOARD  
LEGISLATIVE TRACKING  
REPORT  
2007-08 SESSION**

**Status as of February 20, 2007**



| BILL/<br>AUTHOR  | BOARD<br>POSITION | SUBJECT  | STATUS OF BILL  |
|--|-------------------|--|---|
| <a href="#">AB 67</a><br>( <a href="#">Dymally</a> )   | <b>SUPPORT</b>    | AB 67 amends the provisions contained in the Dymally-Alatorre Bilingual Services Act (Act) that require state agencies to conduct a biennial language survey and implementation plan and employ qualified bilingual staff when a significant language need is identified. The amendments proposed by this Bill standardize and define language in the Act, clarify the State Personnel Board's (SPB's) responsibility to establish bilingual fluency standards, and expand the SPB's ability to grant exemptions to the language survey and implementation plan.   | 02/01/2007-Referred to Com. on P.E.,R. & S.S.<br>02/01/2007-A P.E.,R. & S.S.          |
| <a href="#">AB 147</a><br>( <a href="#">Wolk</a> )     |                   | Intent Language. Spot Bill.  | 01/18/2007-From printer. May be heard in committee February 17.<br>01/17/2007-A PRINT |
| <a href="#">AB 174</a><br>( <a href="#">Price</a> )    |                   | Would additionally, authorize the board to award reasonable attorney's fees and costs to the employee. This bill contains other existing laws.   | 02/13/2007-Referred to Com. on JUD.<br>02/13/2007-A JUD.                              |
| <a href="#">AB 219</a><br>( <a href="#">Jeffries</a> ) |                   | Would provide that if a recipient of a disability retirement allowance who is over the minimum age for voluntary retirement for service applicable to members of his or her class, and who has been receiving a retirement allowance for less than 36 months, refuses to submit to a medical examination, the pension portions of his or her allowance may be discontinued until the withdrawal of the refusal. This bill contains other related provisions and other existing laws.   | 02/09/2007-Referred to Com. on P.E.,R. & S.S.<br>02/09/2007-A P.E.,R. & S.S.          |
| <a href="#">AB 295</a><br>( <a href="#">Lieu</a> )     |                   | Would require specified state agencies to use additional separate collection categories and tabulations for other major Asian and Pacific Islander groups, including Bangladeshi, Fijian, Hmong, Indonesian, Malaysian, Pakistani, Sri Lankan, Taiwanese, Thai, and Tongan. This bill would also require that these specified state agencies update their data collection categories to match those used by the United States Census. This bill would further require that state agencies that directly or by contract collect demographic data, make their demographic reports available to the public, to the extent that disclosure does not violate confidentiality. | 02/13/2007-From printer. May be heard in committee March 15.<br>02/09/2007-A PRINT    |
| <a href="#">SB 26</a><br>( <a href="#">Simitian</a> )  |                   | This bill would require that demographic data collection by race be structured in a manner that allows the surveyed individual to select more than one race. A single category labeled "multi-racial" would be prohibited.   | 01/18/2007-To Coms. on G.O. and JUD.<br>01/18/2007-S G.O.                             |

**STATE PERSONNEL BOARD**

**NON-HEARING CALENDAR**

**RE: BOARD DATE MARCH 2, 2007**

(Cal. 03/02/07)

**MEMO TO :** STATE PERSONNEL BOARD

**FROM :** KAREN COFFEE, Chief, Merit Employment and  
Technical Resources Division

**SUBJECT :** Non-Hearing Calendar Items for Board Action

Page

**CHIEF OPERATING INVESTMENT OFFICER, PUBLIC EMPLOYEES'  
RETIREMENT SYSTEM**

201

The California Public Employees' Retirement System (CalPERS) requests establishment of a new classification titled Chief Operating Investment Officer, CAIPERS to be used in the Investment Office, with a six month probationary period.

**\*\* LICENSED VOCATIONAL NURSE (SAFETY), CALIFORNIA DEPARTMENT  
OF CORRECTIONS AND REHABILITATION (CDCR)**

Establishment of the proposed new classification of Licensed Vocational Nurse, (Safety), California Department of Corrections and Rehabilitation (CDCR); establishment of a 12-month probationary period for the Licensed Vocational Nurse (Safety), CDCR; and reallocation of incumbents employed at CDCR currently in the existing classification titled Licensed Vocational Nurse (Safety), class code 8274, to the proposed new classification titled Licensed Vocational Nurse, (Safety), CDCR.

*\*\* This item will be mailed under separate cover*

March 2, 2007

TO: STATE PERSONNEL BOARD

FROM: Cathi Page, Personnel Program Analyst  
Classification and Compensation Division

REVIEWED BY: Debra Thompson, Personnel Program Manager I  
Classification and Compensation Division

SUBJECT: The California Public Employees' Retirement System (CalPERS)  
requests establishment of a new one-position classification titled Chief  
Operating Investment Officer, CalPERS to be used in the Investment  
Office.

SUMMARY OF ISSUES:

The California Public Employees' Retirement System (CalPERS) is requesting a new, one-position classification be established for use in the Investment Office. This proposal establishes an appropriate civil service classification for Chief Operating Investment Officer, California Public Employee's Retirement System.

Prior to the development of this proposal, CalPERS conducted a classification study, which included a knowledge and ability survey with ratings for criticality and necessity, and a task survey. The study involved multiple steps starting with the review of background material on the CalPERS Investment Office operations; review of similar positions in the California State Teachers' Retirement System, as well as other major public pension funds and the private sector; and consultation with subject-matter experts, who also rated the relative importance of the tasks using a five-point scale. Education and experience requirements were reviewed for other similar positions inside and outside of State service, which provided structure for CalPERS management staff to finalize the minimum qualification requirements for this classification specification.

While a career executive currently fills the COIO position, there are very few civil service members who have the depth and breadth of investment experience to fill this position. This, coupled with the increasing sophistication and complexity of the CalPERS investment programs, is steadily reducing the chance of filling future vacancies in this position from within State service. The State Teachers' Retirement System has a similar investment operation; however, they do not have a class (or position) that is exclusively focused on the investment policy and operations functions that make up the proposed COIO class concept. Therefore, CalPERS is pursuing the establishment of a civil service class for this position to allow open recruitment from other viable candidate pools, including other major public pension funds, and private investment firms and financial institutions.

State Personnel Board



Page 2

This classification would fall under the provisions of Government Code Section 20098, which provides, in pertinent part, that the CalPERS Board of Administration shall fix the compensation for "...investment officers and portfolio managers whose positions are designed managerial pursuant to Government Code Section 18801.1".

CONSULTED WITH:

Russell Read, current CalPERS Chief Investment Officer  
Mark Anson, former CalPERS Chief Investment Officer  
Allan Emkin, Investment Consultant to CalPERS Board of Administration  
Peter Strom, Senior Consultant, Cooperative Personnel Services  
Jennifer Roche, State Personnel Board  
Karen Coffee, State Personnel Board

CLASSIFICATION CONSIDERATIONS:

Refer to the attached proposal.

RECOMMENDATIONS:

1. That the classification of Chief Operating Investment Officer, California Public Employee's Retirement System be established;
2. That the proposed specification for the class as shown in this calendar be adopted; and
3. That the probationary period be twelve months.

## CLASSIFICATION CONSIDERATIONS

**Instructions:** Complete after if Concept (Part A) is approved by DPA. Answer all applicable questions, providing enough information to support your proposal. Return this with a signed transmittal form to your DPA and SPB Analysts.

### Background

1. Provide some historical perspective about the organizational setting of the subject class(es) and the needs that this request addresses.

The proposed one-position class will be used in the Investment Office of the California Public Employees' Retirement System (CalPERS).

The CalPERS provides a variety of retirement and health benefits to 1.5 million public employees, retirees, and their families. Participating employers include the State, school districts (for classified employees), and contracting cities, counties, and special districts. Benefits provided include various retirement plans, disability retirement, deferred compensation and supplemental savings programs, death benefits, health benefits, long-term care insurance, and a member home loan program.

Under general direction from the CalPERS Board of Administration, the Board's Investment Committee, and the Executive Office, the Investment Office is responsible for investing CalPERS funds, which are derived from employer and employee retirement contributions and are used to fund current and future retirement benefits. This proposal arises from the increasing size and diversity of the CalPERS investment portfolio, and the increasing complexity of the strategies and tools needed to manage it effectively. Since 1985, the portfolio value has increased from \$32.7 billion to \$231 billion. During this period, due to a 1985 statutory change, portfolio content has evolved from very conservative investments (bonds and home mortgages) to a far more aggressive and complicated mix of domestic and foreign investments, equities and fixed income assets, real estate, private equity (venture capital) investments, and investments in hedge funds. Also, as more investors enter existing markets, there are fewer opportunities for CalPERS to generate superior performance using "standard" methodologies, requiring it to use increasingly innovative strategies to ensure adequate returns. Finally, there has been a substantial increase over the past few years in the internal management of CalPERS investment portfolios. Together, these factors have resulted in the size of the Investment Office staff growing from 64 to 180 in the past ten years.

All of this has moved CalPERS into an increasingly demanding and sophisticated investment environment, similar to that found in leading private sector investment firms. This has put increasing time and travel demands on the Chief Investment Officer, CalPERS (CIO), making it impossible for the CIO to personally attend to all of the policy and operational issues involved in managing the Investment Office. In addition, the shift from external to internal management of complex domestic and international portfolios requires an increasingly sophisticated in-house infrastructure and operational functionality. This has heightened the importance of having a strong Chief Operating Investment Officer, CalPERS (COIO) position that can act for the CIO in these areas and help provide strong and coordinated office-wide leadership.

While a career executive currently fills the COIO position, the increasing sophistication and complexity of the CalPERS investment programs is steadily reducing the chance of filling future vacancies in this position from within State service. In addition, there are very few civil service members who have the depth and breadth of investment experience to fill this position. The State Teachers' Retirement System has similar investment operations; however, they do not have a class (or position) that is exclusively focused on the investment policy and operations functions that make up the proposed COIO class concept. Therefore, CalPERS is pursuing the establishment of a civil service class for this position to allow open recruitment from other viable candidate pools, including other major public pension funds, and private investment firms and financial institutions.

## Classification Considerations

2. What classification(s) does the subject class(es) report to?

The Chief Operating Investment Officer reports to the CalPERS Chief Investment Officer.

3. Will the subject class(es) supervise? If so, what class(es)?

The subject class will directly supervise the career executive appointees who are responsible for the Supplemental Savings Program and the Administrative Services and Operations units. Together, these units have about 45 staff, primarily in the classifications of Investment Officer, Associate Governmental Program Analyst, Staff Services Manager, and Program Representative.

4. What are the specific duties of the subject class(es)?

The Chief Operating Investment Officer (COIO) reports to the CalPERS Chief Investment Officer (CIO), along with the Senior Investment Officers (SIOs) who are each responsible for a major category of the CalPERS investment portfolio (e.g., global equities, real estate, etc.). In contrast to the SIOs, however, the COIO is responsible for investment policy, strategic, and operational functions that cut across the portfolio categories, as described below. Also, in the absence of the CIO, the COIO assumes the CIO responsibilities.

Investment Policy: The COIO works with Senior Investment Officers and consultants in the development of investment strategies and implementation strategies, and is the key executive working with the Board of Administration's Investment Policy Sub-committee, serving, in effect, as the subcommittee's executive officer. The COIO also coordinates and facilitates communication among the Senior Investment Officers on policy matters and program initiatives that cross asset lines, and facilitates policy consistency across asset classes.

The COIO reviews and advises the subcommittee on a wide variety of investment policy issues, including strategic and performance objectives for the various CalPERS investment programs, investment approaches and parameters, investment styles and strategies, use of external investment managers and resources, asset management,

investment evaluation and due diligence, asset allocation, investment transactions, and corporate governance.

The COIO provides system-wide leadership in addressing externally-generated policy issues, such as labor, political, or social issues affecting entities in which CalPERS has investments. The COIO also reviews and advises the Board on investment-related legislation and represents the CalPERS Investment Office in legislative hearings and meetings.

Finally, as a member of the CalPERS executive staff, the COIO participates in the formulation of enterprise-wide policy.

Investment Management and Strategy: The COIO serves on the executive level asset allocation committee, which, consistent with general Board guidelines, decides how to allocate new funds that are available for investment. This position also works with the CIO and the Investment Committee to review and prepare investment-related Board meeting agendas and materials, and ensure effective briefings and presentations to Board members on these items.

The COIO coordinates the development of investment strategies in areas where it may be appropriate to involve more than one investment category. (For example, an infrastructure investment strategy might involve a mix of equity, fixed income, and private equity investments.) The COIO also works with the Senior Investment Officers in the development of portfolio and trade management systems, and coordinates the development of strategies to ensure effective resources, appropriate infrastructure, and successful implementation of Investment Committee policy.

Supplemental Savings Program: The COIO is responsible for the development and operation of this program, which offers pre and post-tax investment opportunities that eligible persons can use to supplement their regular retirement benefit. This includes leadership in the design and marketing of an array of investment products to meet the needs of current and potential future participants in this program.

Investment Review and Compliance: The COIO is responsible for reviewing CalPERS investment performance for compliance with established performance objectives, investment policies, compliance procedures, and audit findings. Problems and discrepancies are pursued and resolved, as appropriate. (This is part of the check-and-balance system that is commonly built into investment house operations and referred to as the "middle office".) This position also directs the preparation of annual and quarterly investment reports, financial statements, transactions reports, and various investment accounting reports.

Investment Operations: The COIO is responsible for what are typically referred to as the "back office" operations. This involves monitoring and supervising the settlement of all transactions entered into by the investment staff ("front office") and overseeing the custodial banking function to ensure proper and efficient handling of investment transactions and asset holdings.

Administration: The COIO directs the administrative support (budgets, personnel, business services, etc.) for the Investment Office. This includes overseeing the search and contracting processes through which numerous external investment managers and

consultants are retained, and monitoring their contract performance. This COIO also coordinates implementation of Investment Office technology with the CalPERS Information Technology office.

The incumbent also coordinates interface between Senior Investment Officers and the CalPERS Legal Office on matters requiring legal counsel, and serves as coordinator and an independent check on the incentive compensation process for investment staff. Finally, the incumbent is the primary Investment Office Liaison with other CalPERS departments, including Health Benefits, Actuarial, Human Resources, etc.

A career executive currently fills the COIO position. Approximately 45 staff report to this position, primarily through subordinate career executives who manage the Administrative Services and Operations and the Supplemental Savings Program divisions.

5. What is the decision-making responsibility of the subject class(es)?

Within the general parameters set by the CalPERS Board of Administration and the CIO, the COIO has the following decision-making responsibility:

- Determining the need for new investment policies and the need to improve existing policies.
- Determining the focus and content of investment policy items to be presented to the Board for their approval.
- As a member of the executive asset allocation committee, participating in decisions on how new funds should be invested.
- Deciding what strategies should be used in developing investment initiatives that involve more than one major asset class.
- Deciding if investment actions comply with established objectives and policies, and determining the appropriate course of action for resolving discrepancies.
- Deciding how to resolve problems with transactions settlements and the custodial banking function.
- Deciding issues related to the operation of the Supplemental Savings Program, including product development, marketing, and operational issues.
- Determining the proper course of action on a wide variety of internal administrative issues, including information technology, fiscal, and human resources issues.

6. What would be the consequence of error if incumbents in the subject class(es) did not perform their jobs? (Program problems, lost funding, public safety compromised, etc.)

Job performance failures by the COIO could lead to a wide range of Investment Office problems, including inadequate or uncoordinated investment policies, unresolved

discrepancies between investment actions and established investment objectives and policies, failures to properly settle investment transactions, or inadequate strategies for pursuing investment initiatives involving more than one major asset class. There could also be shortcomings in providing administrative, information technology, and legal support to the Investment Office, and failures to recognize and appropriately respond to legislative and other external issues.

All of these potential failures would make it more difficult for the Investment Office to meet its investment performance objectives within the policy parameters set by the Board. Reduced investment returns would, in turn, require increased retirement fund contributions from CalPERS employers and /or members. This could raise political and/or labor relations issues.

7. What are the analytical requirements expected of incumbents in the subject class(es)?

The COIO must analyze a broad array of investment-related principles, practices, trends, information, and data for the purpose of developing investment policies, strategies, and mechanisms. The incumbent also analyzes investment performance for the purpose of determining its compliance with established performance objectives and policies.

The COIO also analyzes the legal and procedural aspects of transactions settlement issues and problems to determine courses of action that are consistent with CalPERS interests. The incumbent also analyzes the investment objectives of current and potential Savings- Plus Program participants and then analyzes available investment products to determine which ones would best meet participant needs.

8. What are the purpose, type, and level of contacts incumbents in the subject class(es) make?

The COIO has contacts with a wide variety of internal and external contacts, including:

- The CalPERS Board of Administration, for the purpose of discussing, explaining, and receiving direction on investment policy and operations issues.
- Senior investment staff, for the purpose of coordinating investment policies and strategies.
- Senior level staff in other CalPERS offices, for the purpose of coordinating various functions and issues in areas such as legal, accounting, actuarial, health benefits, and technology.
- Legislative members and staff, for the purpose of discussing and conveying CalPERS positions on current and potential legislative items.
- The offices of the State Controller and State Treasurer, and external financial institutions, for the purpose of ensuring the proper settlement and accounting of CalPERS investment transactions.
- External investment managers and consultants, for the purpose of retaining and overseeing their services.

**Need for New Class (if necessary)**

9. For new classes only: what existing classes were considered and why were they not appropriate?

Continued use of the career executive level is insufficient due to the limitations of recruiting only civil service, legislative or exempt candidates. There are very few civil service members who have the depth and breadth of investment experience to fill this position and, due to the increasing sophistication and complexity of the CalPERS investment programs, CalPERS needs the ability to recruit from other viable candidate pools such as major public pension funds, private investment firms, and financial institutions.

Prior to the development of this proposal, CalPERS conducted a classification study which included a knowledge and ability survey with ratings for criticality and necessity and, a task survey. The study involved multiple steps starting with the review of background material on the CalPERS Investment Office operations, review of similar positions in the California State Teachers' Retirement System, as well as other major public pension funds and the private sector, and consultation with subject-matter experts who also rated the relative importance of the tasks using a five-point scale. Education and experience requirements were reviewed for other similar positions inside and outside of state service which provided structure for CalPERS management staff to finalize the minimum qualification requirements for this classification specification.

Included in the classification study was the review of other CalPERS classes to determine if they could accommodate the COIO position. The senior-level classes used within the Investment Office are not appropriate, since they each focus on a particular type of investing, such as global equities or real estate. This is too specific for the COIO position, which, instead, is focused on system-wide investment policy and operations. The classes used outside the Investment Office are not appropriate, since they do not involve investment management duties.

The California State Teachers' Retirement System (CalSTRS) does not have a class (or position) that is exclusively focused on the investment policy and operations functions that make up the proposed COIO class concept. The nearest comparison is an Investment Director position that combines operations and global equity portfolio management responsibilities. None of the classes used by other State agencies are suitable, since these other agencies do not administer large, highly diversified investment portfolios.

Finally, the salary setting provisions in Government Code Section 20098 make it inappropriate for CalPERS to use classifications that are also used by other State agencies. This statute specifies that the CalPERS board shall set the compensation for its managerial-level investment officers. (This would include the proposed COIO class.)

## Minimum Qualifications

10. What are the proposed or current minimum qualifications of the subject class(es), and why are they appropriate? (Include inside and outside experience patterns.)

Either I

Experience: Four years of experience in the California state service working in a managerial-level position performing a combination of investment policy, operations, and management work in a large, complex investment organization.

Or II

Experience: Seven years of broad and extensive experience involving a combination of investment policy, operations, and management work in a major financial institution or firm, or governmental agency, including at least four years at a managerial level. Qualifying State managerial experience must be at a level at least comparable to that of a CEA. And,

Education: Equivalent to graduation from college with major work in business administration, economics, finance, law or a closely related field.

(Possession of an advanced degree in one of the fields included above in the education requirement, or a closely related degree; or certification as a Chartered Financial Analyst or other equivalent financial or accounting certification such as a Certified Public Accountant, may be substituted for one year of the required general experience.)

These proposed minimum qualifications are supported by the following:

- They are consistent with minimum qualifications for similar classifications in other public agencies.
- They generally parallel the current minimum qualifications for senior-level investment officer classes at CalPERS and CalSTRS.
- Requiring that four years of the required experience be at a managerial level is appropriate in view of the size of staff and scope of program responsibility for the COIO job.
- CEA is used to specify the level of required managerial experience because that is the highest managerial class used within the investment programs reporting to the COIO. This requirement will also admit promotional competitors from portfolio manager classes at CalPERS and CalSTRS.

## Probationary Period

☐ The probationary period is six months

11. If a probationary period other than six months is proposed, what is the rationale?



A twelve-month probationary period is proposed for the COIO class. This is consistent with the probationary periods for other managerial classes in State service. Also, many of the assigned responsibilities involved long-term work, such as major policy development, for which results often cannot be adequately determined or assessed within a six-month period.

### Status Considerations

12. What is the impact on current incumbents?

The COIO duties are currently being performed by an incumbent serving in a career executive assignment. The establishment of the proposed civil service classification would have no immediate impact on the incumbent's status.

13. Will current employees move by examination, transfer, reallocation, split-off, etc.? Explain rationale.

Future appointments to the new class will be filled through a civil service examination since its duties are not currently being performed within the general civil service.

### Consulted With

14. In addition to the departmental contacts listed on the cover sheet, list the names and affiliations of persons who were consulted during the development of this proposal.

Russell Read – current CalPERS Chief Investment Officer

Mark Anson – former CalPERS Chief Investment Officer; currently CEO, Hermes Pensions Management, Ltd.

Allan Emkin – Investment Consultant to CalPERS Board of Administration; Managing Director, Pension Consulting Alliance

Peter Strom – Senior Consultant, Cooperative Personnel Services

# CALIFORNIA STATE PERSONNEL BOARD

## SPECIFICATION

Schematic Code: JV63  
Class Code: 4654  
Established:  
Revised: --  
Title Changed: --

CHIEF OPERATING INVESTMENT OFFICER,  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

DEFINITION

Under the general direction of the Chief Investment Officer, Public Employees' Retirement System, to manage the development and review of investment policy for the California Public Employees' Retirement System (CalPERS); to manage the Investment Office operations, investment review, administrative and technology support, and the Supplemental Savings Program; to act for the Chief Investment Officer in his/her absence; and to do other related work.

TYPICAL TASKS

Incumbents work with senior investment officers, consultants, and CalPERS Board of Administration (Board) members in the development of investment policies and their implementation strategies; coordinate and facilitate communication among the senior investment officers on policy matters and program initiatives that cross asset class lines, facilitate policy consistency across asset classes; advise the Board Policy Subcommittee on a broad array of investment policies and coordinate the process for developing and obtaining Subcommittee approval of new and revised investment policies; provide enterprise-wide leadership in addressing externally generated policy issues, such as labor or social issues affecting entities in which CalPERS has investments; work with the Chief Investment Officer and the Board's Investment Committee chair to review and prepare investment related Board meeting agendas and materials, and ensure effective briefings and presentations to Board members on these items; coordinate the development of strategies to ensure effective resources, appropriate infrastructure, and successful implementation of investment committee policy; and serve as the primary liaison with all other programs within CalPERS, including health benefits, actuarial services, and human resources.

Manage reviews of CalPERS investment performance for compliance with established performance objectives, investment policies, compliance procedures, and audit findings and take appropriate action to resolve problems and discrepancies; direct the preparation of annual and quarterly reports, financial statements, transaction reports, and various investment accounting reports; monitor and supervise the

settlement of investment transactions and the custodial function to ensure proper and efficient handling of investment transactions and asset holdings; oversee the search and contracting process for external investment managers and consultants; oversee contracts with independent investment consultants and, as appropriate, serve as an interface between these contractors and the Board; coordinate the development of investment strategies that involve more than one major investment category; as a member of the Investment Office asset allocation committee, participate in deciding how new funds should be allocated to the various investment classes; and work with the senior investment officers in the development of portfolio and trade management systems.

Direct the administrative support for the Investment Office, including budgeting, personnel, and business services; coordinate and serve as an independent check in the incentive compensation process for the Investment Office staff; coordinate the interface between senior investment officers and the CalPERS legal office on matters requiring legal counsel; coordinate the implementation of Investment Office technology with the CalPERS information technology office; direct the development, operation, and marketing of the Supplemental Savings Program, including the design of appropriate investment products to meet participant needs; as a member of the CalPERS executive staff, assist in the formulation of enterprise-wide policy; review investment related legislation for its impact on the investment program and advise the Board regarding legislative positions; and represent the Investment Office at legislative hearings and meetings.

#### MINIMUM QUALIFICATIONS

##### Either I

Experience: Four years of experience in the California state service working in a managerial-level position performing a combination of investment policy, operations, and management work in a large, complex investment organization.

##### Or II

Experience: Seven years of broad and extensive experience involving a combination of investment policy, operations, and management work in a major financial institution or firm, or governmental agency, including at least four years at a managerial level. Qualifying state managerial experience must be at a level at least comparable to that of a CEA.

##### and

Education: Equivalent to graduation from college with major work in business administration, economics, finance, law, or a closely related field.

(Possession of an advanced degree in one of the fields included above in the education requirement, or a closely related degree; or certification as a Chartered Financial Analyst or other equivalent

financial or accounting certification such as a Certified Public Accountant, may be substituted for one year of the required general experience.)

#### KNOWLEDGE AND ABILITIES

Knowledge of: Principles and practices of investment policy development; social and political issues affecting public pension investment programs; external resources for investment consulting and management, and the practices for contracting for and overseeing their services; economic principles and trends, and their impact on large investment programs with a wide variety of assets; laws, regulations, and procedures covering investment agreements and transactions; administrative principles and practices, including budgeting, personnel, and business services; principles, practices, markets, and investment styles and vehicles used for various types of investing, including domestic and foreign equities, fixed income assets, real estate, and alternative investments; custody practices and procedures and the interface between custodial holdings and performance reporting; principles and practices of portfolio construction, management, and performance evaluation; principles and practices of asset allocation; computer applications and technology platforms used in investment management and operations; principles and practices related to investment transaction settlements, investment accounting, cash management, and custodial banking functions; prime broker accounts and the establishment of brokerage agreements; and principles and practices of supervision, including the manager's and supervisor's responsibility for promoting equal opportunity in hiring and employee development and promotion, and for maintaining a work environment that is free of discrimination and harassment.

Ability to: Work effectively with the CalPERS Board of Administration and gain their confidence; make clear and concise presentations; coordinate the interface between the investment office and the Board, including coordination and review of Investment Office agenda items; coordinate and develop a wide range of investment policies and provide expert investment policy consultation to the Board; identify and manage investment policy and transactions issues; identify and implement measures to develop a team culture within the Investment Office; establish and maintain cooperative relationships with those contacted in the course of work; gather and analyze a broad range of economic and investment-related information, and synthesize it into concise and coherent conclusions and recommendations; coordinate the activities of the Investment Office with other CalPERS program areas; identify and retain external investment management and consulting resources; evaluate investment actions and results for conformance with established performance standards and policies; maintain up-to-date knowledge of economic, investment, political, and social issues and trends affecting investment programs; negotiate prime broker, custody, and consultant relationships; provide assistance in the

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development of public relations strategies; and plan and direct the work of subordinate staff, while effectively promoting equal opportunity in employment and maintaining a work environment that is free of discrimination and harassment.

SPECIAL REQUIREMENT

Must be able to qualify for a surety bond.

ccd/sks

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(Cal. 03/02/07)

**MEMO TO** : STATE PERSONNEL BOARD

**FROM** : KAREN COFFEE, Chief, Merit Employment and  
Technical Resources Division

**SUBJECT** : Staff Calendar Items for Board Information

**NONE PRESENTED**